

**STATE OF MICHIGAN**  
**DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**  
**Before the Director of the Department of Insurance and Financial Services**

In the matter of:

**Cardinal Healthcare**  
**Petitioner**

**File No. 21-1735**

**v**

**ASMI Auto Insurance Company**  
**Respondent**

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**Issued and entered**  
**this 26<sup>th</sup> day of January 2022**  
**by Sarah Wohlford**  
**Special Deputy Director**

**ORDER**

**I. PROCEDURAL BACKGROUND**

On November 12, 2021, Cardinal Healthcare, LLC (Petitioner) filed with the Department of Insurance and Financial Services (Department) a request for an appeal pursuant to Section 3157a of the Insurance Code of 1956 (Code), 1956 PA 218, MCL 500.3157a. The request for an appeal concerns the determination of Allstate Insurance (Respondent) that the cost of treatment, products, services, or accommodations that the Petitioner rendered was inappropriate under Chapter 31 of the Code, MCL 500.3101 to MCL 500.3179.

The Petitioner's appeal is based on the denial of a bill pursuant to R 500.64(3), which allows a provider to appeal to the Department from the denial of a provider's bill. The Respondent issued the Petitioner a bill denial on August 16, 2021 and October 26, 2021. The Petitioner now seeks reimbursement in the full amount it billed for the dates of service at issue.

The Department accepted the request for an appeal on November 23, 2021. Pursuant to R 500.65, the Department notified the Respondent and the injured person of the Petitioner's request for an appeal on November 23, 2021 and provided the Respondent with a copy of the Petitioner's submitted documents. The Respondent filed a reply to the Petitioner's appeal on November 29, 2021. The Department issued a written notice of extension to both parties on December 27, 2021.

**II. FACTUAL BACKGROUND**

This appeal concerns the appropriate reimbursement amount for home health aide services rendered from July 2 through July 16, 2021 and August 16 through August 27, 2021 under Healthcare Common Procedural Coding System (HCPCS) Level II code G0156 with a TG modifier, which is described as a home

health or hospice aide in a home setting, each 15 minutes. The TG modifier indicates complex/high tech level of care.

With its appeal request, the Petitioner's submitted documentation included *Explanation of Medical Bill Payment* letters issued by the Respondent for the dates of service at issue and a narrative outlining its reason for appeal.

The Petitioner's request for an appeal stated:

[Services] have been billed under the Medicare code G0156 TG that should be reimbursed at 200% of the Medicare rate. [The injured person's] care is high tech. These services demand a home health care agency from his injuries that were caused directly from the [motor vehicle accident] injury of 02/06/09. Due to the progression of his declining health, his care requires medical services of a high tech aide as a reimbursement rate that is reasonable and necessary.

In its initial denials and its written response to this appeal, the Respondent stated that its reimbursement amount was "based on the applicable percentage of the Provider Charge Description Master ... and is further adjusted by the annual adjusted [Consumer Price Index.]" The Petitioner further stated that "[a]ll charges were paid accordingly."

### III. ANALYSIS

#### Director's Review

Under MCL 500.3157a(5), a provider may appeal an insurer's determination that the provider overutilized or otherwise rendered inappropriate treatment, products, services, or accommodations, or that the cost of the treatment, products, services, or accommodations was inappropriate under Chapter 31 of the Code. This appeal involves a dispute regarding cost.

For dates of service after July 1, 2021, MCL 500.3157 governs the appropriate cost of treatment and training. Under that section, a provider may charge a reasonable amount, which must not exceed the amount the provider customarily charges for like treatment or training in cases that do not involve insurance. Further, a provider is not eligible for payment or reimbursement for more than specified amounts. For treatment or training that has an amount payable to the person under Medicare, the specified amount is based on the amount payable to the person under Medicare. If Medicare does not provide an amount payable for a treatment or rehabilitative occupational training under MCL 500.3157(2) through (6), the provider is not eligible for payment or reimbursement of more than a specified percentage of the provider's charge description master in effect on January 1, 2019 or, if the provider did not have a charge description master on that date, an applicable percentage of the average amount the provider charged for the treatment on January 1, 2019. Reimbursement amounts under MCL 500.3157(2), (3), (5), or (6) may not exceed the average amount charged by the provider for the treatment or training on January 1, 2019. See MCL 500.3157(8); MAC R 500.203.

MCL 500.3157(15)(f) defines “Medicare” as “fee for service payments under part A, B, or D of the federal Medicare program established under subchapter XVIII of the social security act, 42 USC 1395 to 1395III, without regard to the limitations unrelated to the rates in the fee schedule such as limitation or supplemental payments related to utilization, readmissions, recaptures, bad debt adjustments, or sequestration.” Under MAC R 500.203, reimbursements payable to providers are calculated according to “amounts payable to participating providers under the applicable fee schedule.” “Fee schedule” is defined by MAC R 500.201(h) as “the Medicare fee schedule or prospective payment system in effect on March 1 of the service year in which the service is rendered and for the area in which the service was rendered.” Accordingly, reimbursement to providers under MCL 500.3157 is calculated either on a fee schedule (i.e., fee-for-service) basis or on a prospective payment system basis.

HCPCS Level II Code G0156 with and without a TG modifier has an amount payable under Medicare when it is billed on a prospective payment system basis. No payment amount is available for HCPCS Level II Code G0156 or G0156 with a TG modifier under on a fee-schedule basis because these codes are not priced separately. Where there is no amount payable under Medicare, reimbursement is calculated based on a provider’s charge description master or average amount charged on January 1, 2019. See MCL 500.3157(7).

To calculate the appropriate reimbursement amount, the Department relied on the Petitioner’s submitted CDM as of January 1, 2019 for G0156. Pursuant to MCL 500.3157(7), the amount payable to the Petitioner for the procedure code and dates of service at issue is \$ [REDACTED] per unit for G0156.

<b>HCPCS code</b>	<b>January 1, 2019 charge description master amount</b>	<b>55% of January 1, 2019 charge description master amount</b>	<b>4.11% CPI adjustment</b>	<b>Amount payable for the dates of service at issue</b>
G0156-TG	\$ [REDACTED] /unit	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED] /unit

Accordingly, the Department concludes that the Petitioner is not due additional reimbursement for the dates of service at issue.

#### **IV. ORDER**


The Director upholds the Respondent’s determinations dated August 26, 2021 and October 26, 2021.

This order applies only to the treatment and dates of service discussed herein and may not be relied upon by either party to determine the injured person’s eligibility for future treatment or as a basis for action on other treatment or dates of service not addressed in this order.

This is a final decision of an administrative agency. A person aggrieved by this order may seek judicial review in a manner provided under Chapter 6 of the Administrative Procedures Act of 1969, 1969 PA

306, MCL 24.301 to 24.306. MCL 500.244(1); R 500.65(7). A copy of a petition for judicial review should be sent to the Department of Insurance and Financial Services, Office of Research, Rules, and Appeals, Post Office Box 30220, Lansing, MI 48909-7720.

Anita G. Fox  
Director  
For the Director:

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Sarah Wohlford  
Special Deputy Director  
Signed by: Sarah Wohlford